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FM AMEMBASSY BISHKEK
TO RUEHC/SECSTATE WASHDC PRIORITY 0228
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUEHBJ/AMEMBASSY BEIJING PRIORITY 2287
RUEKJCS/OSD WASHDC PRIORITY
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEHVEN/USMISSION USOSCE PRIORITY 2691
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2074
RUEHNO/USMISSION USNATO BRUSSELS BE PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY
RUEHLMC/MILLENNIUM CHALLENGE CORP PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 BISHKEK 001200

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DEPT FOR SCA/CEN

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TAGS: [PGOV](#) [PREL](#) [KDEM](#) [KG](#)
SUBJECT: NEGLECT, POLITICAL ISOLATION AND HOPE IN
KYRGYZSTAN'S EASTERN REGIONS

REF: BISHKEK 1170

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Classified By: DCM Lee Litzenberger, Reason 1.4 (b) and (d)

1. (SBU) SUMMARY: Poloff traveled to the eastern Kyrgyz cities of Naryn and Balykchy September 19-21, met with government officials, civil society activists, NGO representatives and educators, and found infrastructural neglect, political isolation, and high unemployment, but hope for the future. In Naryn, most of that hope is centered around the construction of a massive Aga Khan-sponsored university, on land provided free of charge by the government. In Balykchy, an economically struggling city on the edge of Lake Issyk Kul, plans were going ahead for a parliamentary by-election on September 30, despite the announcement of a national constitutional referendum on October 21 and the likelihood that the parliament would be dissolved soon thereafter. Hope for increased investment, however, was shared by government and NGOs alike, despite the ongoing political instability in the capital and regions.
END SUMMARY.

NARYN: INFRASTRUCTURAL REPAIRS NEEDED

2. (SBU) In conversations with NGO representatives, government officials and educators, Poloff was told frequently that Naryn remained in a desperate economic situation. Years of infrastructural neglect, widespread unemployment and poor interaction with the national government and parliament spelled continued despair for Naryn's residents. The Naryn Governor's Chief of Staff said that public works projects, including hydroelectric dams and aluminum smelters, are being considered, but no investors have come forth. Although USAID-sponsored programs, namely NDI's information resource center, have provided short-term social development assistance, NGO representatives were confident that long-term sustainability would be hard to

achieve, due to lack of funds.

13. (C) Many also pointed to the ill effects of the nearby Touragart road, used daily by Chinese trucks transporting goods to Bishkek, which has done little to invigorate Naryn's local economy. The only consequence trade has had on Naryn, according to local residents, is a damaged road and increased traffic accidents. Naryn First Deputy Mayor Kubanychbek Nurmanbetov told Poloff that, although road repairs were discussed during the August 16 Shanghai Cooperation Organization summit in Bishkek, no action has taken place thus far. Nurmanbetov said he suggested to his superiors that truck scales be installed at the Kyrgyz-Chinese border, and criticized the national government for not listening to Naryn's needs. While discussing the ongoing constitutional reform process, he said mechanisms that would allow for more interaction between Bishkek and the regions should be included within the new constitution. "The regions are always left behind," said Nurmanbetov, "and businesses, people continue to leave."

AGA KHAN BRINGS HOPE TO NARYN

14. (SBU) Despite Naryn's isolation, the Aga Khan Foundation will start construction in early 2008 of a large university on 250 hectares of land donated by the government. Called the University of Central Asia (UCA), UCA already offers English language courses, business classes and the only Microsoft certification course in Kyrgyzstan, in one of the city's only office buildings. While touring the site of the future university, slated for completion by 2011, UCA administrators told Poloff that Naryn residents remain hopeful that businesses within the city will benefit from the large number of students expected to attend the university.

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With a broad range of vocational courses to be offered, including those currently taught as well as modules on construction, mountain tour operations, small business management and accounting, UCA representatives were confident that students from throughout Central Asia would be attracted to their programs. Loans, to be paid back after UCA locates jobs for its graduates, should also spur interest. The Aga Khan Foundation is building similar campuses in Tekeli, Kazakhstan and Khorog, Tajikistan.

BALYKCHY: A CITY ON THE EDGE

15. (C) In Balykchy, Mayor Talantbek Omurkulov said that his office has great hopes for economic revitalization, but offered no details on how that would be accomplished. He mentioned that a large Russian truck manufacturing plant and wheat mill (the second largest in Central Asia) kept unemployment at relatively low levels during the Soviet era, but were closed soon after independence. As a result, many skilled laborers have fled the city, in search of jobs in Russia, Kazakhstan and Bishkek. Although he said the city maintains a population of nearly 45,000 residents, most streets and bazaars were empty. Being a lakeside town, however, the population -- and employment -- increases slightly during the summer. The Mayor, nevertheless, remained hopeful that investors would eventually come to Balykchy, and appreciated Urban Institute's assistance with Kyrgyzstan's move from a three- to a two-tier budget)- a new structure that, according to Omurkulov, helped increase Balykchy's access to public funds. Chairman of the Balykchy Town Counsel Zarylbek Sharipov added that future U.S. investment would be welcome, and asked if the Embassy could help Balykchy locate a sister city in the United States.

PARLIAMENTARY BY-ELECTION CAMPAIGNS CONTINUE

16. (C) Despite the possibility that early parliamentary

elections could be held, following the October 21 referendum (reftel), 13 candidates running in the Balykchy constituency by-elections scheduled for September 30 are continuing their campaigns. All share similar platforms, with economic development at the top of each candidate's agenda, but enjoy varying levels of financial support. Out of the 13 running, two candidates had posters strung up throughout the city, and only one (Maksat Abakirov), according to a local election monitoring group financed by the NGO "Citizens Against Corruption," would be able to "buy enough vodka and pay enough voters" to win the race. Calling Abakirov the "new Ryspek," a reference to Ryspek Akmatbayev, a criminal leader who was killed after winning the Balykchy seat in 2006 (he never took his seat in parliament), the NGO representative told Poloff that he would be surprised if Abakirov did not get elected. He noted that if the vodka and payments to voters didn't help, Abakirov's armed thugs would make it happen. Voter irregularities, he added, are assured. When asked about law enforcement intervention, he said that local government officials never stood up against criminals in the past, so why should they now?

COMMENT

17. (SBU) While the Kyrgyz Government touts economic growth and increased interaction with local government representatives, Kyrgyzstan's eastern regions remain stagnant. Grants from USAID and other international donors have helped somewhat, especially in education and civil society development, but infrastructural improvements will be the key to future economic prosperity. And with, at least, Naryn and Balykchy left virtually untouched since the fall of the Soviet Union, a lot remains to be done.

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